

Senate Study Bill 1211 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
NATURAL RESOURCES AND
ENVIRONMENT BILL BY
CHAIRPERSON DEARDEN)

A BILL FOR

1 An Act relating to alternate energy by extending renewable
2 energy tax credit eligibility dates, expanding membership of
3 the Iowa energy center advisory council, and establishing
4 specified grant and loan funds.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 266.39C, subsection 2, paragraph a, Code
2 2013, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (13) Two representatives of the wind
4 energy manufacturing, service, and production industries, one
5 representing a large-scale wind energy producer, appointed
6 by the Iowa wind energy association, and one representing a
7 small-scale wind energy producer, appointed by the Iowa wind
8 energy association.

9 Sec. 2. NEW SECTION. **473.21 Small wind innovation zone**
10 **assistance fund.**

11 1. A small wind innovation zone assistance fund is created
12 in the state treasury under the control of the Iowa energy
13 center established in section 266.39C. All moneys deposited or
14 paid into the fund are appropriated and made available to the
15 Iowa energy center to be used for small wind innovation zone
16 grants or loans as provided in subsection 2. The fund shall
17 consist of any moneys appropriated by the general assembly
18 and payments on loans made under this section. Moneys in the
19 fund are not subject to section 8.22. Notwithstanding section
20 12C.7, subsection 2, interest or earnings on moneys deposited
21 in the fund shall be credited to the fund.

22 2. Moneys in the small wind innovation zone assistance fund
23 shall be used to provide grants and loans for the construction
24 of small wind energy systems as defined in section 476.48 for
25 the applicant's own use of electricity within a small wind
26 innovation zone designated pursuant to section 476.48.

27 3. A minimum of fifty percent of the moneys in the fund
28 shall be distributed or awarded each year to applicants in the
29 form of loans.

30 4. Eligibility criteria and loan qualifications and terms
31 shall be determined by the authority by rule in coordination
32 with the Iowa energy center advisory board.

33 Sec. 3. NEW SECTION. **473.22 Homegrown wind energy and solar**
34 **energy assistance fund.**

35 1. A homegrown wind energy and solar energy assistance

1 fund is created in the state treasury under the control of the
2 Iowa energy center established in section 266.39C. All moneys
3 deposited or paid into the fund are appropriated and made
4 available to the Iowa energy center to be used for wind energy
5 or solar energy grants or loans as provided in subsection
6 2. The fund shall consist of any moneys appropriated by
7 the general assembly and payments on loans made under this
8 section. Moneys in the fund are not subject to section 8.22.
9 Notwithstanding section 12C.7, subsection 2, interest or
10 earnings on moneys deposited in the fund shall be credited to
11 the fund.

12 2. Moneys in the homegrown wind energy and solar energy
13 assistance fund shall be used to provide grants or loans
14 for the construction of wind energy systems or solar energy
15 systems by a private college or university, community college,
16 institution under the control of the state board of regents,
17 public or accredited nonpublic elementary or secondary school,
18 or public hospital as defined in section 249J.3 for the
19 applicant's own use of electricity. Eligible projects shall
20 not exceed one-half megawatt of nameplate generating capacity.

21 3. A minimum of seventy-five percent of moneys in the
22 fund shall be utilized each year for wind energy projects. A
23 minimum of fifty percent of the moneys in the fund shall be
24 distributed or awarded each year to applicants in the form of
25 loans.

26 4. Eligibility criteria and loan qualifications and terms
27 shall be determined by the authority by rule in coordination
28 with the Iowa energy center advisory board.

29 **Sec. 4. NEW SECTION. 473.23 Powering agriculture wind and**
30 **solar energy assistance fund.**

31 1. A powering agriculture wind and solar energy assistance
32 fund is created in the state treasury under the control of
33 the Iowa energy center established in section 266.39C. All
34 moneys deposited or paid into the fund are appropriated
35 and made available to the Iowa energy center to be used for

1 agricultural wind energy or solar energy grants or loans as
2 provided in subsection 2. The fund shall consist of any moneys
3 appropriated by the general assembly and payments on loans
4 made under this section. Moneys in the fund are not subject
5 to section 8.22. Notwithstanding section 12C.7, subsection 2,
6 interest or earnings on moneys deposited in the fund shall be
7 credited to the fund.

8 2. Moneys in the powering agriculture wind energy and solar
9 energy assistance fund shall be used to provide grants or loans
10 for the construction of wind energy systems or solar energy
11 systems at farms located in the state for the applicant's
12 own use of electricity. Eligible projects shall not exceed
13 one-half megawatt of nameplate generating capacity.

14 3. A minimum of seventy-five percent of moneys in the
15 fund shall be utilized each year for wind energy projects. A
16 minimum of fifty percent of the moneys in the fund shall be
17 distributed or awarded each year to applicants in the form of
18 loans.

19 4. Eligibility criteria and loan qualifications and terms
20 shall be determined by the authority by rule in coordination
21 with the Iowa energy center advisory board.

22 Sec. 5. Section 476C.1, subsection 6, paragraph d, Code
23 2013, is amended to read as follows:

24 d. Was initially placed into service on or after July 1,
25 2005, and before January 1, ~~2015~~ 2018.

26 Sec. 6. Section 476C.5, Code 2013, is amended to read as
27 follows:

28 **476C.5 Certificate issuance period.**

29 A producer or purchaser of renewable energy may receive
30 renewable energy tax credit certificates for a ten-year period
31 for each eligible renewable energy facility under this chapter.
32 The ten-year period for issuance of the tax credit certificates
33 begins with the date the purchaser of renewable energy first
34 purchases electricity, hydrogen fuel, methane gas or other
35 biogas used to generate electricity, or heat for commercial

1 purposes from the eligible renewable energy facility for
2 which a tax credit is issued under this chapter, or the date
3 the producer of the renewable energy first uses the energy
4 produced by the eligible renewable energy facility for on-site
5 consumption. Renewable energy tax credit certificates shall
6 not be issued for renewable energy purchased or produced for
7 on-site consumption after December 31, ~~2024~~ 2027.

8 EXPLANATION

9 This bill relates to alternate energy by extending renewable
10 energy tax credit eligibility dates, expanding membership of
11 the Iowa energy center advisory council, and establishing
12 specified grant and loan funds.

13 The bill adds two new members to the council who shall be
14 representatives of the wind energy manufacturing, service, and
15 production industries. The bill provides that one member shall
16 represent a large-scale wind energy producer, and one member
17 shall represent a small-scale wind energy producer. Both
18 members shall be appointed by the Iowa wind energy association.

19 The bill establishes three new grant and loan funds, one
20 relating exclusively to wind energy projects, and the other
21 two encompassing solar energy projects in addition to wind.
22 Each grant and loan fund is structured similarly. The funds
23 are created in the state treasury under the control of the
24 Iowa energy center established in Code section 266.39C and
25 all moneys deposited or paid into the funds are appropriated
26 and made available to the Iowa energy center to be used for
27 their specified purposes. Each fund shall consist of moneys
28 appropriated by the general assembly, if such an appropriation
29 is made, and loan repayments. The bill specifies that moneys
30 in the funds are not subject to reversion to the general fund,
31 and interest or earnings on moneys deposited in the funds
32 shall be credited to the funds. Further, the bill states that
33 eligibility criteria and loan qualifications and terms shall be
34 determined by the authority by rule in coordination with the
35 Iowa energy center advisory board.

1 The bill creates a small wind innovation zone assistance
2 fund and provides that moneys in the fund shall be used
3 to provide grants and loans for the construction of small
4 wind energy systems as defined in Code section 476.48 for
5 the applicant's own use of electricity within a designated
6 small wind innovation zone, with a minimum of 50 percent of
7 the moneys in the fund annually distributed or awarded to
8 applicants in the form of loans.

9 The bill creates a homegrown wind energy and solar energy
10 assistance fund and provides that moneys in the fund shall
11 be used to provide grants or loans for the construction of
12 wind energy systems or solar energy systems by a private
13 college or university, community college, institution under the
14 control of the state board of regents, public or accredited
15 nonpublic elementary or secondary school, or public hospital as
16 defined in Code section 249J.3 for the applicant's own use of
17 electricity. The bill specifies that eligible projects shall
18 not exceed one-half megawatt of nameplate generating capacity,
19 that a minimum of 75 percent of moneys in the fund shall be
20 utilized annually for wind energy projects, and that a minimum
21 of 50 percent of the moneys in the fund shall be distributed or
22 awarded to applicants annually in the form of loans.

23 The bill creates a powering agriculture wind energy and
24 solar energy assistance fund and provides that moneys in
25 the fund shall be used to provide grants or loans for the
26 construction of wind energy systems or solar energy systems
27 at farms located in the state for the applicant's own use of
28 electricity. The bill states that eligible projects shall not
29 exceed one-half megawatt of nameplate generating capacity, that
30 a minimum of 75 percent of moneys in the fund shall be utilized
31 for wind energy projects, and that a minimum of 50 percent
32 of the moneys in the fund shall be distributed or awarded to
33 applicants annually in the form of loans.

34 Additionally, the bill extends by three years the time
35 period during which an eligible renewable energy facility

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1 seeking to qualify for the renewable energy tax credit pursuant
2 to Code chapter 476C shall have been placed in service to
3 before January 1, 2018. The bill correspondingly extends
4 the time period after which renewable energy tax credit
5 certificates shall not be issued to December 31, 2027.